

105TH CONGRESS
1ST SESSION

S. 401

To improve the control of outdoor advertising in areas adjacent to the Interstate System, the National Highway System, and certain other federally assisted highways, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1997

Mr. JEFFORDS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve the control of outdoor advertising in areas adjacent to the Interstate System, the National Highway System, and certain other federally assisted highways, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TAX ON OUTDOOR ADVERTISING.**

4 (a) IN GENERAL.—Subchapter A of chapter 1 of the
5 Internal Revenue Code of 1986 (relating to income taxes)
6 is amended by adding at the end the following:

7 **“PART VIII—OUTDOOR ADVERTISING**

“Sec. 59B. Outdoor advertising.

1 **“SEC. 59B. OUTDOOR ADVERTISING.**

2 “(a) IMPOSITION OF TAX.—There is hereby imposed
3 a tax equal to 15 percent of the gross income received
4 or accrued by any person from the lease of any taxable
5 outdoor advertising display. Such tax shall be in addition
6 to any other tax imposed by this subtitle.

7 “(b) TAXABLE OUTDOOR ADVERTISING DISPLAY.—
8 For purposes of this section, the term ‘taxable outdoor ad-
9 vertising display’ means any outdoor advertising display
10 (as defined by section 1033(g)(3)(C)) other than such a
11 display having 32 square feet or less of advertising
12 space.”.

13 (b) TECHNICAL AMENDMENT.—The table of parts
14 for subchapter A of chapter 1 of the Internal Revenue
15 Code of 1986 is amended by adding at the end the follow-
16 ing:

“Part VIII. Outdoor advertising.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 the date of enactment of this Act.

20 **SEC. 2. OUTDOOR ADVERTISING PROGRAM TRUST FUND.**

21 (a) IN GENERAL.—Subchapter A of chapter 98 of the
22 Internal Revenue Code of 1986 (relating to Trust Fund
23 Code) is amended by adding at the end the following:

1 **“SEC. 9512. OUTDOOR ADVERTISING PROGRAM TRUST**
 2 **FUND.**

3 “(a) ESTABLISHMENT OF TRUST FUND.—There is
 4 established in the Treasury of the United States a trust
 5 fund to be known as the ‘Outdoor Advertising Program
 6 Trust Fund’, consisting of such amounts as may be appro-
 7 priated or credited to the trust fund as provided in this
 8 section or section 9602(b).

9 “(b) TRANSFERS TO TRUST FUND.—There are ap-
 10 propriated to the Outdoor Advertising Program Trust
 11 Fund amounts equivalent to the revenues received in the
 12 Treasury from the tax imposed by section 59B.

13 “(c) EXPENDITURES FROM TRUST FUND.—The Sec-
 14 retary of the Treasury shall transfer from the Outdoor Ad-
 15 vertising Program Trust Fund to the Secretary of Trans-
 16 portation such amounts as the Secretary of Transpor-
 17 tation determines are necessary to carry out section 131
 18 of title 23, United States Code.”.

19 (b) TECHNICAL AMENDMENT.—The table of sections
 20 for subchapter A of chapter 98 of the Internal Revenue
 21 Code of 1986 is amended by adding at the end the follow-
 22 ing:

“Sec. 9512. Outdoor Advertising Program Trust Fund.”.

23 **SEC. 3. CONTROL OF OUTDOOR ADVERTISING.**

24 Section 131 of title 23, United States Code, is
 25 amended—

1 (1) in subsection (d)—

2 (A) by striking “(d) In” and inserting the
3 following:

4 “(d) INDUSTRIAL AND COMMERCIAL AREAS.—

5 “(1) IN GENERAL.—In”;

6 (B) in the first sentence of paragraph (1)
7 (as so designated), by striking “, or in un-
8 zoned” and all that follows through “Sec-
9 retary”; and

10 (C) by adding at the end the following:

11 “(2) LIMITATION ON NEW SIGNS.—

12 “(A) IN GENERAL.—Subject to this para-
13 graph, no new sign, display, or device may be
14 erected under paragraph (1) after the date of
15 enactment of this paragraph.

16 “(B) APPLICABILITY OF JUST COMPENSA-
17 TION REQUIREMENTS.—Except as provided in
18 subparagraph (C), just compensation under
19 subsection (g) shall not be paid upon the re-
20 moval of any sign, display, or device lawfully
21 erected under State law after the date of enact-
22 ment of this paragraph.

23 “(C) EXCEPTION.—

24 “(i) IN GENERAL.—Subject to clause

25 (ii), a State may permit a person, at the

1 person's option, to erect in the State a
 2 sign, display, or device in accordance with
 3 the requirements of paragraph (1) upon
 4 removal without payment of just com-
 5 pensation under subsection (g) of a sign,
 6 display, or device lawfully erected under
 7 this subsection.

8 “(ii) STATEWIDE LIMITATION.—The
 9 total number of signs, displays, and devices
 10 erected and maintained under this sub-
 11 section in a State shall not exceed the total
 12 number of signs, displays, and devices law-
 13 fully erected before the date of enactment
 14 of this paragraph under this subsection in
 15 the State and in existence on that date.”;

16 (2) in the first sentence of subsection (g), by
 17 striking “and not permitted under subsection (c) of
 18 this section, whether or not removed pursuant to or
 19 because of this section” and inserting “and removed
 20 under this section”;

21 (3) in subsection (k), by striking “Subject to
 22 compliance with subsection (g) of this section for the
 23 payment of just compensation, nothing” and insert-
 24 ing “Nothing”;

1 (4) in subsection (m), by striking the first and
 2 second sentences and inserting the following: “There
 3 are appropriated from the Outdoor Advertising Pro-
 4 gram Trust Fund established by section 9512 of the
 5 Internal Revenue Code of 1986 such sums as are
 6 necessary to carry out this section.”;

7 (5) by redesignating subsection (t) as sub-
 8 section (v); and

9 (6) by inserting after subsection (s) the follow-
 10 ing:

11 “(t) STATE INVENTORY OF OUTDOOR ADVERTISING
 12 SIGNS, DISPLAYS, AND DEVICES.—

13 “(1) REQUIREMENT.—For the purpose of sub-
 14 section (b), a State shall not be considered to have
 15 made provision for effective control of the erection
 16 and maintenance of outdoor advertising signs, dis-
 17 plays, and devices unless the State maintains, and
 18 annually submits to the Secretary, an inventory of
 19 all outdoor advertising signs, displays, and devices in
 20 the State for which the effective control is required
 21 under this section, including a specification of
 22 whether each sign, display, or device is illegal, non-
 23 conforming, or conforming under State law.

24 “(2) STATE SCENIC BYWAYS.—The State inven-
 25 tory required by paragraph (1) shall identify each

1 sign, display, or device described in paragraph (1)
2 that is located along a highway on the Interstate
3 System or Federal-aid primary system designated as
4 a scenic byway under a program of the State de-
5 scribed in subsection (s).

6 “(3) USE OF STATE INVENTORIES.—The Sec-
7 retary shall use the State inventories submitted
8 under this subsection to ensure compliance with sub-
9 section (d)(2)(C)(ii) and to carry out this section.

10 “(u) LIMITATION ON VEGETATION REMOVAL.—For
11 the purpose of subsection (b), a State shall not be consid-
12 ered to have made provision for effective control of the
13 erection and maintenance of outdoor advertising signs,
14 displays, and devices if the State carries out or permits
15 the removal of vegetation in, or other alteration of, a right-
16 of-way referred to in subsection (b) for the purpose of im-
17 proving the visibility of any outdoor advertising sign, dis-
18 play, or device located outside the right-of-way.”.

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